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Building BC's Future: Youth Labour Market Trends and Characteristics

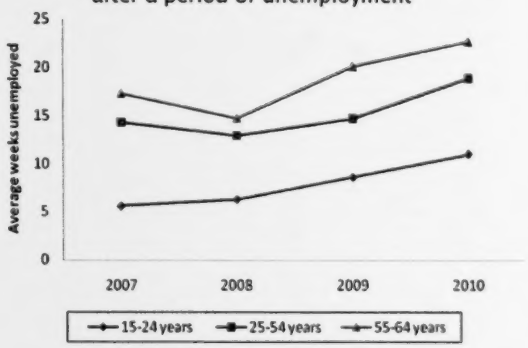
General labour market characteristics

In 2010, BC's youth faced some challenges in terms of labour market success. The unemployment rate was 13.8 percent, the highest in the past seven years, increasing by 0.5 percentage points over the past year's rate. The proportion of those employed full-time is also on the decline as of 2010. The full-time employment rate has declined since 2006, from 58.3 percent, falling to 50.4 percent in 2010 (this means the rate of those employed part-time has increased to 49.6 percent in 2010).

Unemployment characteristics

It is interesting to note that after a period of higher unemployment, the province's youth are much quicker at finding employment than those individuals in older age categories. In 2010, when compared to those individuals that are 25-54 (prime working age) and 55-64 years old, young workers (15-24 years old) found employment nearly 8 weeks faster than those workers between 25-54 and over 11 weeks faster than those people 55-64 years old. This might reflect the fact that older workers may be in more senior positions and after being unemployed for a time are actively seeking out higher salaried positions that are harder to acquire. Alternatively, older workers maybe more particular about their employment offers, more likely to seek self-employment opportunities, looking for flexible (non-standard) work arrangements or face possible age discrimination when looking for work.

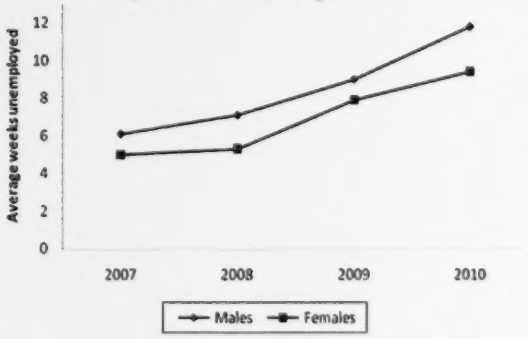
Young people are quicker in returning to work after a period of unemployment



Source: Labour Force Survey 2010

For all participants in BC's labour market, regardless of their age group, the average weeks unemployed have been increasing since 2007. For BC's youth the average time being unemployed has increased by nearly 5 weeks. This may suggest that the labour market hasn't fully recovered since the economic downturn of 2008 (the difference between 2008's average unemployment time is six weeks).

Young women tend to be unemployed for shorter periods than young men



Source: Labour Force Survey 2010

Young women (15-24) were likely to be unemployed for a shorter period of time when

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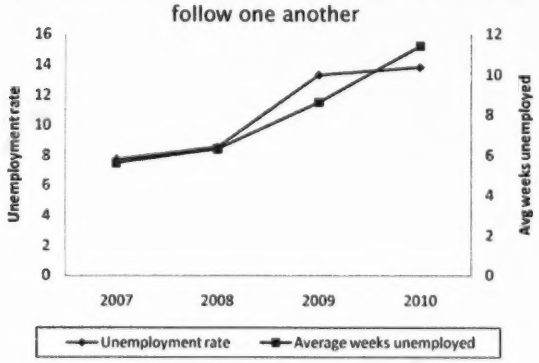
compared to young men of the same cohort. While both women and men have had increases in the average amount of weeks spent unemployed over the past four years, women have continually been likely to be unemployed for at least a week less than young men.

Interestingly, when compared with Canada as a whole, men and women fair differently. When compared to the average Canadian male (15-24), those men residing in BC tended to be unemployed almost a week longer (11.8 weeks versus 11.0 weeks), while younger women residing in BC were likely to be unemployed for a shorter time than the average young Canadian woman (9.4 weeks for British Columbian women versus 10.1 weeks for Canadian women).

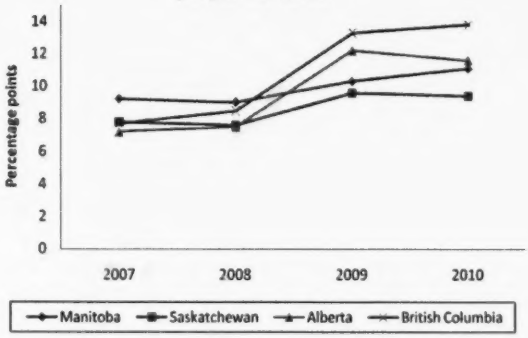
Unemployment rate and weeks unemployed tend to follow one another



Source: Labour Force Survey 2010

There appears to be a positive correlation between the average weeks unemployed and the respective period's unemployment rate. As the unemployment rate increases so does the duration of unemployment. One can expect quicker turnover in a labour market with a lower unemployment rate, reducing the length of time spent actively looking for work.

British Columbian youths have higher unemployment rates



Source: Labour Force Survey 2010

BC's youth were faced with higher unemployment rates than the rest of the western provinces (Manitoba, Saskatchewan and Alberta). While all of the western provinces have had increasing unemployment rates since 2008, BC's rates have increased by 5.3 percentage points (to 13.8 percent). This is the largest increase of all the western provinces as Saskatchewan, Alberta and Manitoba have had increases of 1.8, 4.1 and 2.1 percentage points in their unemployment rates respectively.

Incidentally, participation rates for the provinces previously mentioned have been on the back slide since 2008 as well. BC's participation rate fell 4.6 percentage points from 67.9 percent in 2008; this is the largest drop, second is to Alberta's 4.5 percentage points. Saskatchewan and Manitoba suffered a drop of 3.7 and 3.6 percentage points to their respective participation rates.

To further illustrate the impact of the economic downturn, the following graph shows the unemployment rates for BC's youth in 2007 (pre downturn) and in 2010. These results are compared with three more age cohorts (25-54, 55-59 and 60-64 years old) for the same time periods. There is a

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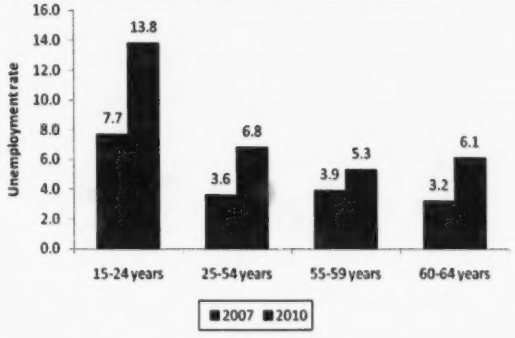
disparity between the unemployment rates in 2007 and 2010 for all of the age groups, but no group shows more of a change than BC's youth. While the youth had the highest unemployment rate in 2007 (7.7 percent), they also saw the largest increase, increasing by 6.1 percentage points in 2010.

British Columbia's youth has seen a large increase in unemployment rates since 2007



Source: Labour Force Survey 2010

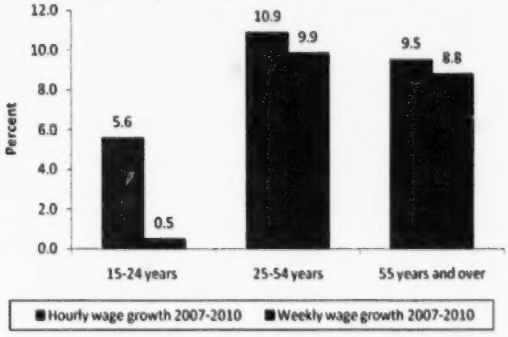
Notably, the 2007 and 2010 unemployment rate disparities differ by gender. The magnitude of the disparity between the young BC male's rates is much larger than that of his female counterpart. Female youth in BC saw their unemployment rate increase by 2.3 percentage points from the 2007 rate of 7.7 percent, while BC's male youth saw an increase of 10.0 percentage points from the 7.6 percent rate of 2007.

While the 2010 unemployment rate for BC's male youth was high (17.6 percent), when compared to the unemployment rates of the other provinces' male youth, BC has the sixth highest rate. Newfoundland and Labrador's youth have the highest unemployment rate at a 28.8 percent, while the youth in Saskatchewan have the lowest rate at 9.9 percent.

Lagging wage growth rates for the youth

The economic downturn appears to have disproportionately impacted the youth of the province. The following graph demonstrates the percent growth in average hourly and weekly wages from 2007 up to 2010. Those workers categorized as a youth (15-24 years old) have had the lowest growth in their average hourly and weekly wages (5.6 and 0.5 percent growth respectively). While those who are in the "prime" working age (25-54) have garnered the largest growth rates in their wages, as the average hourly wage has increased by nearly eleven percent and the average weekly wage has increased by almost ten percent from 2007 to 2010.

The youth's wages haven't kept pace in growth



Source: Labour Force Survey 2010

There is a disparity between the growth rates from 2007 to 2010 of the average hourly and weekly wages between the young men and women of BC. Young men have enjoyed a higher rate of growth in their average hourly wage when compared to the province's young women (6.9 percent versus 5.2 percent), while young women have had a higher growth in their average weekly wages (1.8 percent and 1.3 percent).

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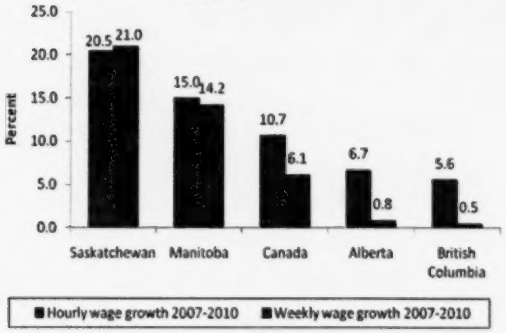
British Columbia's youth are lagging behind in wage growth



Source: Labour Force Survey 2010

When compared to the western provinces and Canada as a whole, BC's youths tend to have the lowest average weekly and hourly wage growth rates. Those young individuals residing in Saskatchewan have experienced the largest growth in both their average weekly and hourly wages at 20.5 percent and 21.0 percent respectively. The average Canadian youth has also enjoyed a larger growth in their weekly and hourly wages than those residing in BC (6.1 percent and 10.7 percent respectively).

The composition of BC's youth in industry

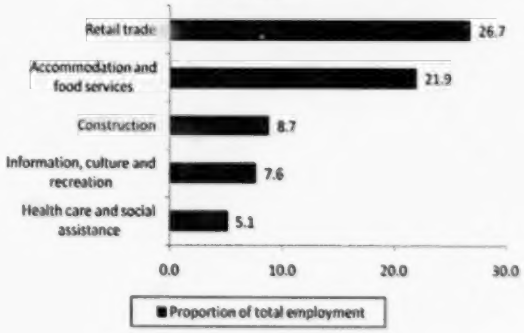
The youth of BC are primarily employed within the service producing sector (retail trade, educational services etc) at a proportion of 84.0 percent while those in the goods producing sector make up the remaining 16.0 percent.

BC's youth are primarily employed in the service producing sector

Source: Labour Force Survey 2010

Interestingly, there does appear to be a split between proportions of those youth employed in the goods and service producing industries when gender is seperated out. When we look at the young women of the province, only 6.2 percent of them are employed in the goods producing sector. Conversely, the young men are employed in the goods producing sectors at a much higher proportion of 26.5 percent. These proportions hold across various age cohorts. For example, those workers older than 55 years have 27.3 percent of their male cohort employed in the goods sector, compared to 8.7 percent of women are in the same age group in the goods sector.

BC's youth are predominately employed in the trade sector



Source: Labour Force Survey 2010

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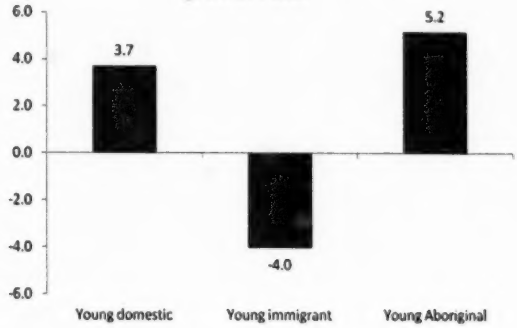
Further analysis reveals that the largest proportion of BC's youth is employed in the retail trade industries (i.e. clothing and clothing accessories stores) followed by accommodation and food services; and construction at proportions of 26.7 percent, 21.9 percent and 8.7 percent respectively.

Employment distribution differences by the western provinces in retail trade, accommodation and food services and construction are surprisingly when compared to BC. The largest proportion of youth employed in construction is in Alberta at 11.0 percent. Manitoba has the smallest group out of all the western provinces at 6.7 percent. For accommodation and food services, BC has the largest proportion of youth employed at 21.9 percent while Alberta has the smallest at 15.1 percent. Finally, the retail trade industry has the highest proportion of youth employed in BC at 26.7 percent, however, the lowest proportion of youth employed in this sector occurs in Saskatchewan at 22.7 percent.

Is there a difference between Aboriginal, immigrant and domestic youth?

There are distinct differences between Aboriginal and immigrant youth and those identified as neither Aboriginal nor immigrant. The growth in population from 2007 to 2010 is different among the groups of youths. Aboriginal youth have experienced a 5.2 percent growth in 2010 from 2007. Conversely those individuals identified as total landed immigrant youths have experienced a decline of 4.0 percent in their population from 2007; finally, although less than the Aboriginal youth, those identified as neither immigrant nor Aboriginal had a positive growth in their population at 3.7 percent.

BC's different youths have different population growth rates



Source: Labour Force Survey 2010